



## **S. 1765**

# **A Blueprint for the Federal Response to Hurricane Katrina and Rita**

## **Section by Section Summary**

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# **Title I-Emergency Supplemental Appropriations**

## **General Provisions**

- **All funds provided in this Act are to be immediately appropriated upon enactment.**
- **All funds provided in this Act are intended to supplement, not supplant amounts already appropriated or made available through FEMA for relief relating to Katrina and Rita.**
- **None of the funds appropriated under this act shall require a state match.**

## **Subtitle A- Department of Defense- Military**

- Provides \$762.5 million for Defense Operation and Maintenance expenses incurred during relief efforts, to be distributed as follows: Army – \$15 million, Navy - \$400 million, Marine Corps - \$ 10 Million, Defense Wide - \$50 million, Army Reserve - \$2.5 million, Navy Reserve - \$75 million, Air Force Reserve - \$10 Million, Army National Guard - \$100 Million, Air National Guard - \$ 100 Million. \$70,000,000 of these funds will be directed to SPAWAR of New Orleans (SSC NOLA) to reestablish capabilities, facilities, missions, functions, and equipment.
- Provides \$547.4 million for Defense Procurement related to relief efforts, to be distributed as follows: Army - \$50 million, Navy Shipbuilding - \$5 Million, Air Force - \$117.4 Million, Defense Wide - \$250 million, National Guard and Reserve Equipment - \$125 million.
- Provides \$8 million for Defense Working Capital Funds, [need a description of what this program can be used for]
- Provides \$25 million for the Defense Health Program, [need a description of what this program can be used for]
- Increases the Family Separation Allowance to from \$250 to \$350 for two years, effective 29 August 2005.
- Requires that all deployments in support of Hurricane Katrina relief efforts shall be credited towards the “mobilization” requirement in the six year deployment cycle of the Army National Guard, Air National Guard, and Army Reserve.
- Conveys all rights, titles, and interests in real property comprising the Naval Support Activity to the City of New Orleans or the Port of New Orleans. (Section 101)

- Requires that the Secretary of Defense report to the Committee on Appropriations regarding how the funding was allocated. (Section 102)

### **Subtitle B-Military Construction**

- \$748 Million for Defense reconstruction of military facilities in Louisiana, to be distributed as follows: Army - \$20 million, Navy and Marine Corps - \$5 million, Air Force - \$3 million, Defense Wide - \$160 million, Army National Guard - \$125 million, Naval Reserve - \$250 million, Air National Guard - \$125 million, Family Housing Navy and Marine Corps - \$20 million, Family Housing Air Force - \$20 million, Family Housing Defense Wide - \$20 million.
- Provides for \$160,000,000 of the Military Construction fund to be used to forgive the State match requirement of the proposed “Federal City” initiative.

### **Subtitle C-Veterans Affairs**

- Provides \$1 billion for reconstruction and repair of damaged VA facilities and cemeteries, needed medical services, and general operating expenses.
- Directs 500 million to reconstruct and improve the New Orleans Regional VA Hospital. In addition,
- Suspends the collection of co-payments for health care and medications for all veterans directly affected by Hurricane Katrina for 6 months.
- Allows Veterans affected by Katrina to receive medical care from any area hospital for one year, provided that a VA facility is not within 30 miles of their temporary residency.

### **Subtitle D-Department of Commerce**

- Provides \$150 million in direct grants to Louisiana harvesters and vessel owners as replacement of dockside values for all fishery resources.
- Provides \$90 million for the complete rehabilitation of hurricane-impacted public and private oyster reefs in the State of Louisiana.
- Provides \$150 million for the establishment of **[strategically located emergency fisheries infrastructure facilities]** to service the affected fleets, fishermen and processors, to ensure that their product can reach market. [ this bullet needs to be clearer - what is the money for ]

- Provides \$35 million to the Louisiana Seafood Promotion and Marketing Board for the rebuilding of lost markets that have been challenged by Hurricane Katrina and its aftermath.
- Provides \$4 million in emergency funding to the South Regional Climate Center for hurricane forecasting and data delivery in times of emergency.
- Provides \$5 million to the Louisiana State University Hurricane Center to implement an emergency response decision support system and expert guidance that can be rapidly deployed to support emergency response and recovery activities.

### **Subtitle E-Department of Homeland Security**

- Authorizes the President to pay the base wages of publicly employed individuals engaged in the recovery effort related to Hurricane Katrina. (Section 111).
- Provides \$91,200,000 for the construction of Emergency Operations Centers in Jefferson, St. Tammany, Washington, Tangipahoa, Livingston, St. Bernard, Plaquemine, Lafourche, Terrebonne, St. Mary, St. Martin, Lafayette, Calcasieu, Cameron, Vermillion, St. Charles, St. John, Iberia and Ascension.
- Provides \$2.5 million for Urban Search and Rescue and Disaster Medical Systems to use in securing public safety and health.
- Provides \$250,000,000 for emergency assistance to firefighters for hurricane related expenditures.
- Provides \$1,034,000,000 in Community Disaster Loans, to help state and local officials to address critical budget shortfalls in the wake of Hurricane Katrina. Also, waives any caps or limits associated with this program.

### **Subtitle F-Department of Health and Human Services**

- Dedicates \$400 million for substance abuse and mental health services funding, including dedicated funds for treatment of school-age children and suicide prevention programs.
- Provides \$300 million for the Centers for Disease Control and Prevention for toxicity screening, assessment, and tracking. Of this amount, \$100 million is provided for Mosquito abatement activities.
- Provides \$72 million dedicated to Louisiana to provide home energy assistance, such as heat or air conditioning, for those affected by Hurricane Katrina.

- Provides \$13 million in Social Services Block Grant Funding to [ INSERT WHAT SSBG is USED FOR]
- Provides \$39,358,000 for the State Department of Social Services to use in serving Foster Youth and at- risk families affected by Hurricane Katrina
- Provides \$500 million to the Secretary of Health and Human Services to cover healthcare costs and expenses incurred by Louisiana health care providers in responding to the public health emergency created by Hurricane Katrina.
- Provides \$500 million for the rebuilding or restoration of critical healthcare infrastructure in Louisiana.
- Provides \$100,000,000 in Child Care Development Block Grant funding to help rebuild and restart child care programs destroyed or disrupted by Hurricane Katrina.

### **Subtitle G – Department of Housing and Urban Development**

- Provides \$2.5 billion I to provide Tenant-Based Rental Assistance for Section 8 Housing vouchers to families displaced by Hurricane Katrina.
- Provides \$30 billion of Community Development Block Grants to [provide disaster relief and promote long-term recovery in the communities hardest hit by Hurricane Katrina. ] – need to be more specific, what types of things can (or has) CDBG be (en) used for.
- Provides \$5 billion for the HOME Investment Partnership Program [insert what this program does]
- Provides \$5 billion for the HOPE VI program to use in the development of mixed income housing in areas being rebuilt.
- Provides \$10 billion to establish a “Louisiana Business Re-Development Corporation” to provide grants, loans and bonds to re-start businesses affected by Hurricane Katrina. \$1 billion of these funds must be used to support tourism and travel.
- Provides \$5 billion to the Department of HUD to encourage lenders to defer mortgage payments for homeowners the in affected areas for 6 months.

### **Subtitle H-Department of Transportation**

- Provides \$7 billion for LA Department of Transportation to use in the construction or repair of evacuation and energy supply routes.

- Provides \$5 billion for LA Department of Transportation to use to expand road and transit capacity in impacted communities.
- Provides \$1 billion for the restoration of the Port of New Orleans.
- Provides \$1 billion for LA Department of Transportation to use in the restoration of other ports affected by Hurricane Katrina.
- Provides \$71 million for the FAA to use to reimburse the Louis Armstrong New Orleans International Airport for emergency services provided.
- Provides \$2.9 billion for the Emergency Relief Program [ what does this money go for]
- Provides \$20 million to establish comprehensive development plans.
- Provides \$36 million for the Federal Railroad Administration to use in covering revenue shortfalls that occurred as a result of Hurricane Katrina
- Provides \$190 million for the New Orleans Regional Transit Authority to cover revenue shortfalls that occurred as a result of Hurricane Katrina.
- Provides \$150 million for the Maritime Administration to provide guaranteed loans to shipbuilders who sustained losses as a result of Hurricane Katrina [ Jason – check this for accuracy]

### **Subtitle I – Department of Energy**

- Provides \$11 million in weatherization funds to Louisiana to provide low-income families with funding to permanently reduce their energy bills by making their homes more energy efficient.

### **Subtitle J- Department of Education**

- Provides \$1 billion to the LA Department of Education to establish a teacher incentive fund. Funds from this account will be used to provide bonuses and cover salary gaps as necessary to retain qualified teaching professionals in the areas affected by Hurricane Katrina.
- Provides \$10 million for Project SERV for short-term and long-term assistance to local school districts to recover from a violent or traumatic event.
- Provides a per pupil subsidy of \$4,000 to cover additional costs incurred at schools that

serve as hosts to displaced students from the affected area.

- Provides \$600 million to the LA Department of Education to assist affected schools in their efforts to maintain and restart their schools.
- Authorizes the Secretary of Education to use the 2004-2005 data in calculating funding for the Individuals with Disabilities Education Act.
- Authorizes the Secretary of Education to amend the uses of the TRIO and GEAR UP program to include the needs of students affected or displaced by Hurricane Katrina.
- Provides \$20 million in funds to support educational programs for homeless youth as authorized by the McKinney- Vento Homeless Assistance Act [ may want to make this less washingtonese]
- Authorizes the Secretary of Education to grant a waiver to all students affected by Hurricane Katrina receiving Title IV federal aid for one year.
- Provides \$635,000,000 in funds to the LA Department of Education to assist early childhood programs such as Head Start and Early Head Start in meeting increased costs associated with services for affected area children and reestablishing programs impacted by Hurricane Katrina.
- Provides \$2 billion dollars to assist areas impacted by Hurricane Katrina to repair, renovate, alter, or construct educational facilities.
- Establishes a Postsecondary Education Stabilization Board to oversee a \$5 billion Education Relief Fund. Funds are to compensate postsecondary education institutions for direct and associated losses due to the impact of Hurricane Katrina including construction, salaries, educational programs relevant to the recovery effort, faculty recruitment costs, debt relief, and costs of lost tuition, revenue, and enrollment.

### **Subtitle K- Coast Guard**

- Provides \$10 million for the Coast Guard to use to contract with commercial fisherman to remove hurricane related debris from the marine environment.

### **Subtitle L-Department of Interior**

- Provides \$8 million for the LA Dept of Wildlife and Fisheries to assist alligator farmers affected by Hurricane Katrina.
- Provides \$27 million to Louisiana Forestry Association to cover revenue shortfalls that are a result of Hurricane Katrina.



- Provide \$12 million to LA Dept of Wildlife and Fisheries for the restoration of wildlife management areas.

### **Subtitle M – Department of Agriculture**

- Provides \$313 million in rural housing assistance loans to enable low and moderate income rural residents to acquire moderately priced housing for their own use as a primary residence
- Waives income requirements for rural housing assistance that might restrict affected persons from receiving aid.
- Provide \$4 million in Rural Housing Assistance Grants to allow very low-income rural homeowners to remove health and safety hazards from their homes and also make their homes accessible for disabled people.

### **Subtitle N- Department of Justice**

- Provides \$650 million for salaries, expenses, and lost equipment for police, firefighters, EMT's, district attorneys, Public Defenders offices, courts, and others in the disaster area.
- Provides \$200 million in COPS funding to help address the increased need for local law enforcement as a result of Hurricane Katrina.
- Provides \$10 million for a program to unite missing children with their family members in the aftermath of Hurricane Katrina.
- Encourages federal courts and the GSA to make accommodations available to state and local courts whose operations have been disrupted by the hurricane.

## **Title II-Improvements to Disaster Assistance**

### **Sec. 200- Sense of the Senate**

Expresses the Sense of the Senate that the President should appoint an individual to oversee the federal rehabilitation and reconstruction efforts and that the appointed person should have any and all necessary regulatory authority

### **Subtitle A – Immediate Disaster Relief**

#### Sec 201-Waiver of Cost-sharing and Maximum Assistance Requirements

Increases the federal share of FEMA disaster relief from the current 75% to 100% for 2 years, retroactive from the date of the August 29, 2005 disaster declaration, in the case of Louisiana. Waives federal caps on disaster relief assistance to individuals, households, state and local offices, and nonprofit organizations affected by Hurricane Katrina.

#### Sec 202-Hazard Mitigation Grant Program

Increases the percentage of funding authorized under the Hazard Mitigation Grant Program from 7.5 to 15.

#### Sec 203-State Management Costs

Requires the design and implementation, by the Department of Homeland Security, of a federal process for approving state requests for management cost funding within 30 days of their receipt by the Secretary. Requires development of clear and concise guidelines to enable states to submit consistent requests.

#### Sec 204-Disaster Relief Equity

Ensures that religious organizations will not be denied federal assistance in repairing, restoring, reconstructing, or replacing their facilities following damage or destruction of those facilities as a result of Hurricane Katrina.

#### Sec. 205- Presidentially Declared Disaster

Amends the Stafford Act to include the outer continental shelf as an area that can be designated as an area in need of emergency relief.

#### Sec. 206 – Emergency Debris Removal

Gives the Secretary of Department of Homeland Security the authority to reimburse entities who provide emergency debris removal services up to 50% of the funding they are eligible to receive for such services under the Stafford Act.

#### Sec. 207 – Debris Removal from Emergency Access Roads

Amends the Stafford Act to allow for reimbursement of debris removal from an emergency access road, defined as a road that is required by emergency personnel responding to a disaster.

#### Sec. 208 – Debris Removal from Private Land

Amends the Stafford Act to allow for reimbursement for the removal and disposal of debris on private land.

Sec. 209 – Stafford Act Waiver for Privately Owned Utilities

Directs the Secretary of Homeland Security to reimburse privately owned utility companies for costs associated with the restoration, reconstruction, rehabilitation or installation of utility infrastructure damaged or destroyed by Hurricane Katrina.

**Subtitle B- Providing Information and Assistance to Hurricane Katrina Evacuees**

Sec. 211 – Use of Individual Assistance Funds

Directs the Secretary of Homeland Security to establish a review process to ensure that Stafford funds are used only for purposes that are authorized and appropriate. Expresses the Sense of the Senate that they should not be used for gambling or the purchase of alcohol or tobacco.

**Subtitle C- Emergency Preparedness and Response**

Sec. 221 - Creation of a Regional and Field Office for the Department of Homeland Security

Authorizes \$50 million for speedy submission of a regional plan and its implementation, including a center at the Federal City complex that will be constructed at the Naval Support Activity in Algiers, LA.

Sec 222- Appropriations for Interoperable Communications for First Responders

Provides authorization for a \$600 million grant to the Louisiana Commission on Law Enforcement to implement the Louisiana Totally Interoperable Environment (LATIE).

Sec 223-Responsibilities of Under Secretary for Emergency Preparedness and Response.

Tasks this Under Secretary with additional duties to ensure that the nation is better prepared for natural disasters in the future.

Sec 224- Government Accountability Office Report

Directs the GAO to report to Congress on a quarterly basis regarding the

obligations and expenditures of funds authorized under this Act.

## **Title III-Individual Citizens Relief and Recovery**

### **Subtitle A-Housing Relief**

#### Sec 301-Housing Vouchers

Authorizes \$3.5 billion for vouchers to pay temporary housing costs for displaced families, regardless of income and other typical eligibility requirements for relocation nationwide. Eases regulatory requirements to improve the flow of federal housing funds to affected disaster areas.

#### Sec 302-HOME Program

Waives income and rent requirements under the HOME Investment Partnership Program to provide incentives to build mixed-income housing in the Hurricane Katrina Disaster Zone.

#### Sec 303-First Time Homebuyers Classification Expansion

Allows citizens affected by Hurricane Katrina to classify as First-Time Homebuyers to qualify for federal mortgage assistance programs available to First-Time Homebuyers.

#### Sec 304- Home Business and Mortgage Protection Fund

Establishes a program under which the Secretary of HUD can reimburse banks for losses incurred as a result of agreeing not to collect on a mortgage for a homeowner affected by Katrina.

#### Sec. 305 Community Development Block grant

Increases cap on assistance under this community development block grant program (which offers assistance to communities in rebuilding) from \$1.5 to \$10 million. Waives requirement, for a period of two years, that CDBG funds must benefit low- and moderate-income persons within declared disaster areas so that these funds can be used to rebuild infrastructure throughout the disaster zone.

#### Sec 306-Rural Housing and Economic Development Program

### **Subtitle B-TANF and Child Welfare Emergency Response**

#### Sec 311-Reimbursement of States for TANF Benefits

Provides states impacted by Katrina and those serving persons displaced from Katrina to have access to the contingency fund and receive an increase in funds up ¼ of 20 percent of their state block grant.

#### Sec 312-Increase in amount of additional TANF funds available for Hurricane-damaged states

Provides a loan to states with no expectation of repayment of up to 40% of their block grant.

#### Sec 313-Rules for receipt of Hurricane Katrina emergency TANF benefits and application to child support requirements

Provides that TANF work requirements do not apply to short term, non-recurring benefits.

### **Subtitle C-Medicaid, Medicare, and Other Health Disaster Relief**

#### Sec. 321-323 -Disaster Relief Medicaid

Provides targeted Disaster Relief Medicaid (DRM) coverage with streamlined eligibility procedures to those who resided in or lost their job in one of the impacted parishes for a period of 5 months with a possible 5 month extension. Coverage is for all Katrina survivors up to 100% of the federal poverty level or up to 200% for pregnant women, children and the disabled. Louisiana parishes under a disaster declaration and other states caring for these Katrina evacuees are reimbursed at 100% FMAP for care provided through DRM.

#### Sec. 324- Authority to Waive Requirements During National Emergencies

Amends 1135 waiver authority to allow the Secretary to extend benefits under existing authority to individuals displaced due to a disaster. Current authority only allows the Secretary to waive requirements for a specific geographical location.

#### Sec. 325-Emergency Assistance for States with FMAP

Ensures no state will see a decrease in their Medicaid FMAP for FY 2006.

#### Sec. 326-Emergency Assistance to Medicare Beneficiaries

The Part B late enrollment penalty for Medicare eligible beneficiaries who are unable to

submit applications during the initial enrollment period is waived and the Secretary of HHS is directed to submit a plan to Congress by October 7 on how CMS will transition into Medicare Part D the dual-eligibles who are evacuees or residents of hardest hit counties and parishes.

Sec. 327-80 Percent Federal Matching Payments under Medicaid for Uncompensated Care provided to Survivors of Hurricane Katrina

80% of all Medicaid payments will be disbursed to all Louisiana hospitals, physicians, community health centers and clinics to cover expenditures related to caring for Hurricane Katrina victims.

Sec. 328-Disaster Relief Fund for Payments for Private Health Insurance Coverage

Establishes an Emergency fund to ensure that individuals or businesses that have private insurance do not lose their coverage because of Hurricane Katrina. This fund will pay for the premiums and co-pays of displaced individuals who had preexisting private health insurance and small businesses who provided health benefits through private insurance to their employees.

Sec. 329-Eligibility for Refundable Tax Credit for Health Insurance

Allows for displaced individuals who do not meet eligibility standards for Medicare, Medicaid, or the Disaster Relief Fund to apply for National Emergency Grants that will provide tax credits to assist with the purchase of health insurance.

Sec. 330A - National Health Service Corps

Amends the National Health Service Corps such that individuals who agree to work in areas affected by Hurricane Katrina are given priority during the grant application process. It further offers a reduced loan program for individuals who accept grants to work in the affected areas.

Sec. 330A-Community Health Center Grants

Requires the Secretary to give priority to applicants who apply for community health center grants to serve areas in which the President has declared that a major disaster. It also gives the Secretary the authority to further waive any requirement or eligibility criteria that the Secretary deems appropriate in awarding these grants.

Sec. 330B-Telemedicine

Gives the Secretary of HHHS the authority to waive licensing and certification requirements relating to telemedicine for health professionals providing diagnosis and treatment to Katrina victims.

#### Sec. 330C-Penalties for Fraudulent Use of Licensure

Provides that anyone who knowingly or willingly falsifies their medical license or certification or provides medical services while misrepresenting their false licensure, shall be fined or imprisoned.

#### Sec. 330D-Waiver of Certain Medicare Quality Reporting Requirements

Exempts any Louisiana hospital within the affected areas from having to submit quality reports to the Centers for Medicare and Medicaid Services in order to receive reimbursements.

#### Sec. 330E-Moratorium on Redeterminations

Relieves Louisiana from having to conduct Medicaid eligibility redeterminations during the disaster relief period.

#### Sec.330F-Accommodation of Special Needs of Katrina Survivors Under Medicare Program

Extends the initial enrollment period for Part D Medicare beneficiaries to May 15, 2007 and requires the Secretary to take into account the beneficiaries' loss and unavailability of documents due to Hurricane Katrina.

#### Sec.330G-Medicare Suppliers and Providers

Directs the Secretary of HHS to establish procedures to ensure that when a provider or supplier of health care services temporarily ceases offering their services or relocates to another community as a result of a natural disaster the interruption of services will not result in a termination of Medicare participation and reimbursement.

#### Sec. 402 – Eligibility of Hospitals for Assistance

Amends the Stafford Act to include privately owned hospitals as entities eligible for assistance in a disaster.

### **Subtitle D - Bankruptcy Relief**

#### Sec. 331-Bankruptcy relief

Relaxes the effects of the changes in bankruptcy laws for Katrina victims by:

- Excluding payments from FEMA, other disaster relief agencies, and charitable organizations directly associated with a natural disaster from the definition of current monthly income;
- Allowing actual expenses incurred as a direct result of a natural disaster to be treated as expenses for purposes of the bankruptcy code's chapter 13 means test;
- Ensuring that victims of natural disasters will qualify for the new bankruptcy reform bill's "special circumstances" provision, increasing their chances of qualifying for Ch. 7 bankruptcy;
- Permitting victims of a natural disaster to file for bankruptcy without first completing credit counseling if a natural disaster prevents them from doing so;

## **Subtitle E – Unemployment Compensation**

### Sec. 342.- Temporary Extended Unemployment Compensation Account.

Allows states to establish a temporary extended Unemployment Compensation Account, which would be used to continue the UI benefits at 100% of the state level for 13 weeks.

### Sec. 343.-Payments to States having agreements for the payment of temporary extended unemployment compensation.

States that provide temporary compensation would be eligible to receive an amount equal to the cost of providing for the temporary UI benefits. Not offset by another type of assistance.

### Sec. 344.-Financing provisions.

Secretary of Treasury will make payments to the State on a periodic basis, payable to the State Unemployment Trust Fund. GAO will monitor these payments and their expenditure.

### Sec. 345.-Fraud and overpayments.

Makes it a crime to knowingly make a false statement or omission in applying for these funds

### Sec. 347.-Applicability.

Program lasts for one year.

## **Subtitle F – Special Reed Act Transfer**

### Sec. 351 Reed Act Transfer



Provides an amount, not to exceed \$500,000 to be transferred to the State Unemployment Insurance Fund in 90 days should the fund go insolvent.

## **Title IV – Public Relief, Small Business and Agriculture Recovery**

### **Subtitle A- Education Assistance**

#### Sec. 401. Federal work study.

Directs the Secretary to waive any penalties for universities that are unable to expend their work study as a result of Hurricane Katrina.

#### Sec. 403. Assistance for students affected by Hurricane Katrina.

Defers the loans for any student who was enrolled on August 29<sup>th</sup> but had their attendance disrupted so long as the student enrolls

### **Subtitle B- Small Business Recovery**

#### Sec. 411. Disaster loans.

Allows for refinancing of existing Disaster Loans and business debt allowing these debts to be refinanced under the disaster loan program to help businesses consolidate and reduce debt with low-interest loans. Also increases the disaster loan cap from \$1.5 million to \$10 million, as was done for 9/11 victims. Lastly, provides an extension of the application deadline from nine months to one year for economic injury disaster loans, and from three months to one year for physical disaster loans.

#### Sec. 412. Development company debentures.

Disaster loan borrowers --homeowners or businesses -- would have a one-year period after receiving a disaster loan before they would need to begin making interest and principal payments on the loan. This was also done for 9-11 victims.

#### Sec. 413. Small business emergency relief.

Increases the program level for SBA Disaster Loans -- Physical and Economic Injury -- by approximately \$600 million, requiring an appropriation of approximately \$86 million. This section also increases from \$3.4 billion to \$4 billion the amount of disaster loans

that the SBA can make. Included in this section is \$150 million appropriation to Louisiana Department of Economic Development for emergency bridge loans and grants.

Sec. 414. Entrepreneurial development.

Authorizes increased funding for the SBA's counseling and training resources to help small businesses directly and indirectly affected by Hurricane Katrina to recover. The total amount proposed is \$33.75 million: \$21 million for the Small Business Development Centers; \$5 million for Microloan technical assistance; \$4.5 million for the Women's Business Centers; \$2 million for SCORE; and \$1.25 million for the Veterans Business Outreach Centers.

Sec. 415. Small business development centers.

Waives \$100K cap on portability grants to SBDCs.

Sec. 416. Hubzones.

Makes the declared disaster areas an Historically Underutilized Business Zone (HUBZone). This gives a preference to small businesses in the disaster zone when they bid on federal contracts.

Sec. 417. Outreach programs.

Directs the SBA and the directors of Small and Disadvantaged Business Utilization to create a contracting outreach program for small businesses located or willing to relocate in the Katrina disaster area.

Sec. 418. Small business bonding threshold.

Construction and rebuilding contracts being awarded are likely to be larger than the current \$2 million threshold currently applied to the SBA Surety Bond Program which helps small construction firms gain access to contracts. This section increases the guarantee against loss for small business contracts up to \$10 million.

Sec. 419. Supplemental emergency loans.

Creates Supplemental 7(a) Program Business Loans with lower fees for small businesses located outside the disaster zones but indirectly impacted by Hurricane Katrina. Lowers fees for lenders as an incentive to lend to these businesses and adds in protections to mitigate misdirection of loans to non-disaster victims. Appropriated \$75 million for one year.

Sec. 420. Small business participation.

Sets small business prime contracting goal of 30 percent, and a subcontracting goal of 40 percent so that at least 30 percent of prime contract dollars and 40 percent of subcontracting dollars allocated through emergency funds to rebuild the affected areas will be directed to small businesses in the affected regions. This is to ensure that small businesses, particularly those located in the disaster area and that employ individuals in the affected areas, should receive their fair share of federal contracting dollars.

Sec. 421. Energy emergency relief.

Creates a four-year pilot project to give small businesses and farms access to very low interest disaster loans to cope with the market volatility in natural gas and heating oil.

Sec. 422. Budgetary treatment of loans and financings.

Directs Small Business Administration to treat loans and assistance created under this subtitle as separate programs of SBA for purposes of the Federal Credit Reform Act of 1990 only.

### **Subtitle C- Agriculture**

Sec. 433. Crop disaster assistance

Provides \$25 million in traditional crop disaster assistance for all eligible commercially grown crops in Louisiana (other than sugarcane) that have suffered qualifying losses to their 2005 crop due to Hurricane Katrina.

Sec. 434. Sugarcane disaster assistance.

Provides \$120 million in disaster assistance to sugarcane growers for estimated losses in 2005 as well as anticipated lower production in 2006 due to damage caused by Hurricane Katrina. Modeled on the FY 2003 program.

Sec. 435. Compensation for infrastructure losses.

Provides \$40 million for infrastructure losses (barns or other structures such as greenhouses, equipment and fencing) caused by Hurricane Katrina.

Sec. 436. Assistance to dairy and livestock producers.

Provides \$10 million in assistance for dairy cattle losses, production losses and animal health associated with Hurricane Katrina. In addition, provides \$11 million to implement the Livestock Indemnity Program (partial reimbursements to eligible livestock owners for livestock losses suffered due to a natural disaster) and Livestock Compensation Program (provides immediate assistance to eligible owners and cash lessees of certain types of livestock for damages and losses due to any natural disaster)

for the 11,000 head of cattle lost due to Hurricane Katrina.

Sec. 437. Emergency citrus disaster, nursery crop and Christmas tree disaster and strawberry, horticultural crops, fall fruits and vegetables disaster programs.

Provides \$34 million in disaster assistance for citrus, horticulture (flowers, fruits and vegetables), nursery crops and Christmas tree producers based on the program established for Florida producers due to Hurricanes Charley, Frances and Jeanne during August and September 2004. As a result of saltwater intrusion many of these crops are not suitable for replanting.

Sec. 438. Conservation programs.

Provides \$190 million for the Emergency Watershed Protection Program for the repair of damages to waterways and watersheds in parishes impacted by Hurricane Katrina as well as \$40 million for the Emergency Conservation Program to rehabilitate farmland damaged by Hurricane Katrina.

Sec. 439. Tree assistance program.

Provides \$25 million for owners of eligible trees, bushes and vines damaged by Hurricane Katrina and extends eligibility to cover timber and Christmas trees. In addition, provides \$28,300,000 million to support State and Private Forestry programs in the restoration and rehabilitation of forest lands destroyed or damaged by Hurricane Katrina.

Sec. 440. Additional funds for Cooperative State Research, Education, and Extension Service

Provides \$34 million to support research and education activities to study the damage inflicted on the State's forestry caused by Hurricane Katrina.

Sec. 441. Delta Regional Authority

Amends the Delta Regional Authority to include all Parishes affected by Hurricane Katrina and provides them with \$27 million to make grants to a public or non-profit entity engaged in economic re-development.

Sec. 442. Water and waste disposal loan and grant programs.

Amends the definition of an eligible rural area to include areas with a population in excess of 10,000 and waives income requirements for being considered for grant assistance. Also requires that guaranteed water and waste disposal loans be tax exempt.

Sec. 443. Community facilities loan and grant programs.

- Waives eligible rural area definitions in order to include areas with population in excess

of 20,000.

- Waives eligible median household income requirements for being considered for grant assistance
- Authorizes that guaranteed community facility loans be tax exempt
- Allow guarantee fee for community facility loans to be reduced
- Allow existing borrowers to restructure existing loans at new rates and terms

#### Sec. 444. Rural community advancement funds.

- Provides \$210 million in water and waste grants and loans for water and waste disposal (including solid waste disposal and storm drainage) systems in rural areas and towns affected by Hurricane Katrina. The funds are available to public entities such as municipalities, counties, special-purpose districts, Indian tribes, and non-profit corporations.
- Provides \$200 million in community facilities direct grants and loans to areas affected by Hurricane Katrina for public entities to construct, enlarge or improve community facilities in rural areas and towns of up to 20,000 (schools, libraries, childcare, hospitals, medical clinics, assisted living facilities, fire and rescue stations, police stations, community centers, public buildings and transportation).

### **Subtitle D—Privately Owned Utility Restoration**

#### Sec.463. Privately owned utility disaster relief.

Modeled after the assistance provided to airlines after September 11<sup>th</sup>, provides the President with the authority to compensate electric utility companies and gas distribution companies for two types of costs related to Hurricane Katrina: direct losses related to rebuilding, repair and restoration of facilities and services and for the loss of a significant part of a customer base for a sustained period of time. Amount of funding is limited to \$2.5 billion in the aggregate for all eligible entities.

#### Sec.465. National Energy Infrastructure Zones.

Directs the Secretary of Energy to designate the threatened system as a National Energy Infrastructure Zone and report to Congress on all necessary actions to protect, improve, revitalize, rebuild and strengthen the country's energy infrastructure system.

#### Sec.466. Provisions relating to depository institutions and credit unions.

Provides immediate protection for banks and financial institutions by:

- Indemnifying financial institutions for cashing checks on behalf of Hurricane Katrina victims that prove to lack funds or were fraudulent. Many financial institutions helped

Katrina victims by agreeing to cash checks that they would not accept under normal operations.

- Temporarily relaxes certain requirements for refinancing loans to help financial institutions meet the immediate needs of homeowners and business owners who are trying to rebuild.
- Waives certain Federal Reserve Board Fees and other charges for wire transfers and other transaction costs

## **Title V- Rebuilding Infrastructure**

### **Subtitle A – Actions by Federal Agencies**

#### **Sec. 501. Pelican Commission.**

Establishes a PELICAN Commission to more timely and cost effectively implement needed hurricane protection, flood control, coastal restoration, and navigation projects in an integrated and comprehensive fashion without having to come back to Congress for any other approval.

The PELICAN Commission is composed of 9 members as follows:

- a chairperson appointed by the President,
- the Chief of Engineers of U.S. Army Corps of Engineers,
- the NOAA Administrator,
- the Louisiana member of the Mississippi River Commission,
- the Governor of Louisiana,
- a Louisianian, appointed by the President, with expertise in commerce,
- a Louisianian, appointed by the President, with expertise in environment,
- a Louisianian, appointed by the President, with expertise in flood control, and
- a Louisianian, appointed by the President, with expertise in maritime matters.

Directs the Commission to engage the Corps to develop, within 6 months and annually thereafter, a Work Plan for designing and implementing these projects “to simultaneously protect the Louisiana coastal area from future flooding and devastation caused by hurricanes, restore and reconstruct coastal wetlands, and provide for navigational interest.”

Appropriates \$40 billion to the Commission to quickly approve and fund the design and implementation of these Corps projects.

Upon the Commission’s approval of the Corps’ Work Plan, the Commission shall fund the Corps to immediately begin implementation of the projects without having to come back to Congress for any other approval.

#### **Sec. 502. Presidential emergency permitting process.**

Allows the President to issue an emergency permit for any project carried out in

response to Hurricane Katrina or a related condition. The President, within 30 days would determine if the complete the project is in the best interests of the United States and if he does not act, it is deemed to be approved. Permits approved through this process are deemed to be in compliance with federal law.

Sec. 503. Federal contracting requirement for reconstruction.

Requires that the executive agencies afford preference to Local contractors when awarding contracts under the Stafford Act.

Sec. 504. Continuation of worker payments and other allowable costs under Federal contracts.

Allows those under federal contracts to still receive payments from the federal government in the event that their contracts were disrupted by Hurricane Katrina.

Sec. 505. Restoration of telecommunications infrastructure

Authorizes the President to extend federal resources and assistance to telecommunications carriers during a national emergency

## **Subtitle B- Economic Development**

Sec. 521 – Recovery Assistance for Federal and State Agencies, Businesses, Institutions of Higher Education, and Public-Private Partnerships:

Establishes a Gulf of Mexico State Disaster Economic and Education Transition/Recovery/Relocation Fund and provide \$1 billion for recovery assistance for the impacted Federal and State agencies, businesses, institutions of higher education, and public-private partnerships in the disaster areas of the Gulf of Mexico states resulting from Hurricane Katrina.

Sec. 522 – Manufacturing Extension Partnership Program:

Provides \$30 million for the Hollings Manufacturing Extension Partnership of the National Institute of Standards and Technology to restore the manufacturing and supply base in Louisiana that was adversely affected by Hurricane Katrina.

Sec. 523 – Public Telecommunications Facilities:

Provides emergency funding for the rebuilding of the public telecommunications infrastructure and facilities that were damaged or destroyed by Hurricane Katrina in the amount of \$250 million.

Sec. 524 – Grants for Technology and Economic Development in Areas Affected by Hurricane

Katrina:

Provides \$19 million for the Secretary of Commerce to provide grants for technology development activities to facilitate the economic recovery of disaster areas in Louisiana. Activities included under this section: acquisition of more efficient first-responder communications, including deployable cellular towers in cases of emergency, reconstruction and redeployment of telecommunications equipment with priority given to small business concerns, increasing low-cost broadband access of low-and-moderate-income residents, and the creation of a dual-purpose wireless communication network in a 100-block area in the City of New Orleans.

Sec. 525 – Collection and Distribution of Continued Dumping and Subsidy Duties:

Give the Secretary of Commerce the authority to direct the United States Customs Service to issue an automatic liquidation to provide much needed relief to the domestic crawfish processors in Louisiana who have been adversely affected by Hurricane Katrina and the continued dumping of crawfish tail meat from China.

Sec. 526 – NOAA Weather Radio:

Establish and implement a program to provide low income residents in Louisiana with NOAA Weather Radios at a discount or no cost. Expand the radio coverage of the NOAA Weather Radio system.

Sec. 527 – Effects of Hurricane Katrina on Fish and Wildlife:

Request NOAA to determine impacts of Hurricane Katrina on commercial and recreational fisheries, shrimp fleet, oyster industry in Louisiana. Specifically, Determine impacts of Hurricane Katrina on habitats of wildlife and fisheries, including shrimp and oyster habitats; and Restore impacts habitat areas of wildlife, migratory birds, fisheries, including shrimp, oysters impacted by Hurricane Katrina.

Sec. 528 – Minority Business Development Agency:

Provides \$50 million for minority business development assistance to Hurricane Katrina victims for reconstruction of records, packaging for disaster loans, insurance claims, and overall consultation to re-establish business in Louisiana.

Sec. 529 - Export Assistance Program:

Directs the Secretary of Commerce to provide \$35 million per year for the next five years for the creation and maintenance of an Export Assistance Program in Louisiana. This program would support export-related training and development assistance to companies in the state and provide them with assistance in seeking access to international markets for their products, including travel and marketing assistance.



#### Sec. 530 - Southeast Louisiana Entrepreneurship Development Network:

Provides \$200 million over a five year period from the Economic Development Administration of the U.S. Department of Commerce for an entrepreneurship redevelopment program to rebuild and diversify the recovering economies in disaster areas. Funding provides for an entrepreneur facility, a seed capital fund, a business accelerator program, and operation costs for the program.

### **Subtitle C- Transportation**

#### Section 543 Federal Highway Administration

Modifies existing FHWA Emergency Relief program by (1) raising the \$100 million cap, (2) extending period of 100% federal reimbursement from 180 days to 3 years, and (3) replenishing program account with \$2.9 Billion. (S. 1702 - recently proposed by EPW, Direct FEMA to re-build the I-10 Twin Spans from New Orleans to current 6 lane standards

#### Section 546 Maritime Administration

Appropriates \$150 million for the Title XI Program for the construction, reconstruction and reconditioning of vessels at a facility in an area impacted by Katrina.

#### Section 547 Capital Construction Fund

Expedites funding withdraw and expands qualified uses to include operating expenses and repair of vessel or purchase of new vessel.

### **Subtitle D- Americorps Disaster Relief Corps**

#### Sec. 554. Establishment of Special AmeriCorps Disaster Relief Corps.

Establish an AmeriCorps Disaster Relief Corps to carry out a national service program that provides food, clothing, shelter, and other humanitarian assistance for victims of major disasters and emergencies. 10,000 eligible participants for the national service program will be recruited.

Sec. 555. Grants to States, cities, organizations; cooperation with Federal agencies.

Funds may be used to make grants with States or other organizations to support AmeriCorps projects.

Sec. 556. Transfer of funds to the National Service Trust.

Funds will be transferred to the National Service Trust to provide educational awards and related assistance.

Sec. 557. Authority for Third-Term Benefits and Educational Award

Allows a participant serving in the national service program to serve a third term of service in an approved national service position and may receive living allowances, educational awards, and other support.

Sec. 558. Administrative Expenses

The Corporation may use not more than 2 percent of funds for administrative costs.

Sec. 559. Acceptance of Donated Services

Section 196 of the National and Community Service Act is amended by striking “money or property” and inserting “money, services, or property”.

Sec. 560. Grants Not Subject to Annual Appropriations Limitations

Funds provided to administer, reimburse, or support any national service program under national service laws may not be considered a limitation on funding for such program in annual appropriations act.

Sec. 561 Appropriations

Appropriates \$75 million for this purpose.

## **Title VI – Hurricane Protection and Environmental Restoration**

### **Subtitle A – Hurricane Protection**

#### **Chapter 1 – Domestic Offshore Energy Re-Investment Act**

Sec. 602. Outer Continental Shelf.

Provides 50% of OCS revenues (bonus bids, rents and royalties) annually to coastal producing states based on the amount of production off their respective coastlines. 35% of state's share is allocated to coastal political subdivisions in the State's coastal zone. States and coastal political subdivisions are required to use the funding for authorized purposes only.

## **Chapter 2 – Offshore Fairness Act of 2005**

### Sec. 613. Seaward boundary extension.

Within 5 years of enactment would extend the seaward boundary for the State of Louisiana from 3 to 10 miles.

## **Subtitle B- Environmental Protection and Wetlands Restoration**

### **Chapter 1 – Louisiana Restoration Stamp**

#### Sec. 622. Restoration program.

Establishes a Louisiana Restoration Stamp. All proceeds from the sale of the stamp shall be used for restoration activities in Louisiana in areas affected by Hurricane Katrina.

### **Chapter 2- Lake Pontchartrain Basin Restoration**

#### Sec. 631. Redesignation and extension of program authorization

Extends authorization of the Lake Pontchartrain Basin Foundation Restoration program to 10 years and authorizes \$100 million a year for the program.

## **Chapter 3 – Funding**

#### Sec. 641. Environmental Protection Agency.

Appropriates the following funds to EPA:

- \$10 million for science and technology
- \$1 billion for environmental programs and infrastructure assistance
- \$500 million for grants to states and locals for the temporary emergency measures conducted in response to the release of hazardous materials
- \$750 million for activities related to the reoccupation of residences and commercial buildings.
- \$750 million for air and water quality sampling and treatment.

- \$ 35 million for Safe Drinking Water Act activities.

Sec. 642. Louisiana Department of Environmental Quality.

The following funds would be appropriated to the LA Department of Environmental Quality:

- \$1 billion for the removal of waste from construction and demolition activities
- \$2 billion for the removal of hazardous waste
- \$3 billion for wastewater treatment facilities
- \$1 million for drinking water systems
- \$100 million for assessment and storage of underground storage tanks

## **Chapter 4 – Environmental Regulations**

Sec. 651. Notice to Congress of Presidential waivers.

Requires the President to give notice to the appropriate Congressional committees when exercising the waiver authority provided under Section 502.

Sec. 652. Authority to facilitate reconstruction.

Provides that there is no expiration of the authority of the Administrator of EPA to conduct any response or remediation in a Superfund site. Also states that Section 502 waiver authority shall apply to mosquito control, the reduction of vector borne illnesses and the remove and salvage of timber.

## **Chapter 5 – Historic Preservation Fund**

Sec. 661 Historic Preservation Fund

Provides \$150 million to the National Park Service for the Historic Preservation Grant Program for grants for preservation and conservation work on nationally significant historic structures and sites in the areas affected by Hurricane Katrina.

## **Chapter 6 – Mitigation Measures**

Sec. 671 – Mitigation Measures

# **Title VII - Jobs Return and Re-Population Incentives**

## **Subtitle A- Emergency Tax Relief Measures**

### **Sec. 700 A – Hurricane Katrina Disaster Area**

Establishes definition of disaster area to apply to tax provisions.

## **Chapter 1 – Penalty Free Use of Retirement Funds By Natural Disaster Victims**

### **Sec. 701 – Penalty Free Withdrawals from Retirement Plans**

Many of those impacted by Katrina have a need for immediate access to funds. This provision allows individuals who have been displaced by Katrina to make withdrawals of up to \$100,000 from their retirement plans without paying penalties.

### **Sec. 702 – Income Averaging for Disaster-Relief Distributions Related to Hurricane Katrina**

A distribution from a retirement plan would normally be included in gross income for the year the distribution is made. This provision allows taxpayers to spread out the inclusion in gross income over a 3-year period for tax purposes.

### **Sec. 703 – Recontributions of Withdrawals for Home Purchases Cancelled Due to Katrina**

Some individuals withdrew money from their retirement plans to use for home purchases or construction in the disaster area, and no longer need the money for that purpose. The provision allows them to repay the money without penalty.

### **Sec. 704 – Loans from Qualified Plans for Victims of Hurricane Katrina**

Individuals are subject to tax on loans from retirement plans that exceed the lesser of \$50,000 or 50% of the value of their benefit or account. The provision doubles these limits to give individuals greater access to funds during the crisis. The provision also provides individuals with repayment relief on existing or new loans.

### **Sec. 705 – Provisions Relating to Plan Amendments**

Retirement plans must be administered in accordance with their terms. However, amendment takes time and there is a need for these provisions to go into effect immediately. Thus, the provision allows plans to operate under the relief provisions before an amendment is adopted.

## **Chapter 2- Employment Relief**

### **Sec. 706 – Work Opportunity Tax Credit for Hurricane Katrina Employees**

Under current law, the Work Opportunity Tax Credit allows employers to claim a credit against wages paid to new workers that face barriers to employment. It applies to special groups such as residents of empowerment zones, TANF eligible families, high-risk youth, veterans, SSI beneficiaries, and voc-rehab referrals. The proposal establishes an additional category of eligible new workers under the WOTC credit for Hurricane Katrina survivors, provided that the worker lived within the disaster zone and became unemployed as a result of damage or destruction to his or her workplace.

Sec. 707 – Employee Retention Credit for Employers Affected by Hurricane Katrina

Provides a \$2,400 credit (40% up to the first \$6,000 in wages) to employers in the disaster zone who continue to pay their employees. The employees must have worked in the disaster zone before the hurricane. This credit also extends to military reservists and Guards who worked at the business in the disaster zone before being activated, and where the employer has continued to pay their wages.

### **Chapter 3 – Charitable Giving Incentives**

Sec. 711 – Temporary Suspension of Limitations on Charitable Contributions

Lifts the 50% cap on charitable deductions for donations of cash by individuals through the end of the year. Lifts the 10% cap on charitable deductions by corporations for donations of cash for Katrina Relief efforts.

Sec. 712 – Charitable Deduction for Contributions of Food Inventories

Encourages donations of food to relief organizations by extending the deduction available to producers and sellers of food to non C-Corporations.

Sec. 713 – Charitable Deduction for Contributions of Book Inventories

The provision encourages donations of books to schools. The enhanced deduction only applies to donations of educational book inventory by businesses.

Sec. 714 – Additional Exemption for Housing Hurricane Katrina Displaced Individuals

Provides a \$500 deduction, up to \$2,000, for each Katrina victim a taxpayer takes into their house rent-free for at least 60 days for one tax year (2005 or 2006).

Sec. 715 – Increase in Standard Mileage Rate for Charitable Use of Passenger Automobile

Increases the mileage rate of reimbursement from 14 cents to 70% of the business rate (34 cents) for Katrina related relief efforts.

Sec. 716 – Mileage Reimbursements to Charitable Volunteers

Excludes mileage reimbursements received from a charity will not be included in gross income for volunteers in the Katrina disaster zone.

### **Chapter 4 – Additional Tax Relief Provisions**

Sec. 721 – Exclusions of Certain Cancellations of Indebtedness for Victims of Hurricane Katrina

Normally, if a lender cancels the debt of a borrower, the amount of the forgiven debt would be taxable to the borrower. This provision would allow borrowers to exclude cancelled debt from income if the cancellation is in response to damage from Hurricane Katrina.

Sec. 722 – Suspension of Certain Limitations on Personal Casualty Losses

Under present law, non-business casualty losses are deductible by taxpayers who itemize only to the extent they exceed ten percent of adjusted gross income and a one-hundred dollar floor. This provision eliminates the ten percent floor for casualty losses incurred in the Hurricane Katrina

disaster area, allowing taxpayers affected by Katrina to take a deduction for the entire loss.

Sec. 723 – Required Exercise of Authority Under Section 7508A for Tax Relief for Victims of Hurricane Katrina.

Provision will give taxpayers relief by expanding the existing authority of the Secretary of Treasury to extend filing, deposit and payment deadlines for income, estate and gift taxes in the case of disaster to include employment and excise taxes.

Sec. 724 – Special Mortgage Financing Rules for Residences Located in Hurricane Katrina Disaster Area.

Mortgage revenue bond proceeds are used to fund below-market interest rate mortgages for certain first-time homebuyers meeting income and purchase price restrictions. For areas where housing was damaged by Hurricane Katrina, the proposal lifts the first-time homeowner requirement and increases the amounts allowed to be used for home improvements.

Sec. 725 – Extension of Replacement Period for Non-Recognition of Gain for Property Located in Hurricane Katrina Disaster Area

Extends the replacement period that applies to principal residences and business property from 2 to 5 years. Essentially would include from tax any gain with respect to a home or business property that is damaged or destroyed as a result of Hurricane Katrina, if they were insured for more than the value of the home or business.

Sec. 726 – Special Rule for Determining Earned Income

Many taxpayers will experience reduced incomes in 2005 because of job loss or interruption due to Katrina. Since the child tax credit and the earned income credit are based on income, changes in income levels will directly impact the amount of credit. This provision will help lower to moderate income taxpayers the option of using the earned income level that provides the largest credit will increase cash flow and help them get back on their feet.

Sec. 727 – Secretarial Authority to Make Adjustments Regarding Taxpayer and Dependency Status

This section prevents taxpayers from losing certain tax benefits as a result of Katrina. These benefits include exemptions, deductions, credits, and filing status. Taxpayers should not lose tax benefits as a result of being forced to move in with relatives or receiving government or charitable assistance.

## **Chapter 5 – Emergency Requirement**

### **Subtitle 2 – Additional Tax Incentives**

Sec. 741-Tax benefits for the major disaster area damaged in Hurricane Katrina

Provision will create growth in the disaster area by providing tax incentives to businesses that hire Katrina victims and relaxing depreciation rules for investment in property, plant, and equipment. Provides the state with \$45 billion in tax exempt bond financing authority for rebuilding in the disaster area.

Sec. 742 – Premiums for Mortgage Insurance

Will encourage people to move back to Louisiana by allowing them to deduct mortgage insurance on their home loans. This provision will be very beneficial to homeowners who cannot make a 20% down payment on a home.

Sec. 743 – Suspension of Air Transportation Excise Taxes

Encourage tourism to Louisiana by temporarily suspending federal excise taxes on air travel beginning and ending in the Hurricane Katrina disaster area.

Sec. 744 – Relocation Tax Credit for Victims of Hurricane Katrina

Gives hurricane victims, businesses, and non-profits a tax deduction for expenses incurred during the evacuation, provided that they return to affected areas.

Sec. 745 – 50 Percent Income Tax Holiday

Excludes half of a taxpayer's wages from taxation for work in the Katrina Disaster Zone. Maximum amount of \$35,000, \$70,000 for joint filers. This will encourage people to return to areas affected by Katrina.

Sec. 746 – Hurricane Katrina Disaster Zone Restoration Tax Credit

Tax credit for investments in property placed in service in the Katrina Disaster Zone.

Sec. 747 – 5-year Carryback of Net Operating Losses and Temporary Suspension of 90 percent AMT Limit for Businesses in Hurricane Katrina Disaster Zone

Allows businesses to apply losses incurred as a result of Hurricane Katrina against past tax liability for up to 5 years. Suspends the Alternative Minimum Tax 90 percent limit through January 2007.

Sec. 748 – Allowance of Income Tax Credit to Small Businesses Whose Operations Were Significantly Interrupted by Hurricane Katrina

Provides a \$1,000 tax credit for each employee a small business puts back to work in the disaster area.

Sec. 749 – Home Purchase by Individuals Displaced by Hurricane Katrina

One-time only tax credit for the completion of a new home, or the purchase of a new home in the impact area by a displaced resident of the Hurricane Katrina impact area.

Sec 750 – Expedited Refund Claims

Requires the IRS to establish a special office to handle refund claims by taxpayers from the affected areas.

Sec. 751 – Application of New Market Tax Credit to Investments in Community Development Entities Serving Areas Affected by Hurricane Katrina

This provision will allow all U.S. community development entities to receive New Market Tax Credit for investing in the Hurricane Zone. A total of \$7 billion in extra credits may be used for this investment.

Sec. 752 – Modifications to the Low-Income Housing Tax Credit



Increases Louisiana's allotment of Low-Income Tax Credits to spur building of housing for low to moderate income families.

Sec. 753 – Estate Tax Relief for Hurricane Katrina Victims

Establishes a special estate tax schedule for victims of Hurricane Katrina. Similar relief was provided in the aftermath of the September 11 attacks.

Sec. 754 – Issuance of Gulf Opportunity Bonds

Gives the Secretary of the Treasury the authority to issue a series of bonds, the proceeds of which would be used to invest in rebuilding the Hurricane Disaster area.

## **Title VIII – Law Enforcement Improvements**

Sec. 801-Definition of Local Units of Government

Ensures that parish sheriffs and district attorneys will be deemed units of local government for purposes of eligibility for federal grant programs (reflecting the fact that, under Louisiana law, neither district attorneys nor sheriffs are part of parish government budgets, and both are recognized as independent units for budgetary purposes).

Sec. 802-Special Inspector General for Relief and Reconstruction Act of 2005

Provides that the individual now serving as Special Inspector General for Iraq Reconstruction will, in addition to continuing to serve in that role, also take on the role of Special Inspector General for Hurricane Katrina recovery activities for at least the next two years. Makes it his duty to conduct and coordinate audits and investigations of the treatment, handling, and expenditure of federal funds for Hurricane Katrina recovery, as well as programs, operations, and contracts carried out using such funds. Requires regular reports to Congress on the Inspector General's activities and the federal government's Hurricane Katrina recovery activities. Authorizes \$80 million for this office to carry out Katrina-related recovery activities in fiscal year 2006.

Sec. 803-General Accounting Office Report

Requires GAO to track spending of money appropriated in each Hurricane Katrina emergency supplemental appropriations bill and report to Congress with its findings.

Sec. 804-Emergency Relief Personnel Protection Act of 2005

Amends the federal criminal code to prohibit, during a presidentially-declared major disaster or emergency, forcibly assaulting, resisting, or interfering with the following individuals: any U.S. officer or employee performing official duties relating to the emergency or any person assisting such officer; and any person providing services in support of disaster relief efforts in coordination with a federal coordinating officer.

Provides for an enhanced penalties for using or possessing a deadly or dangerous weapon or inflicting bodily injury in the commission of such a violation.

#### Sec. 805-Enhanced Penalties For Fraud

Prohibits knowingly making a false statement or nondisclosure that results in your receiving federal aid under this Act. Subjects violators to enhanced penalties under the federal criminal code.

#### Sec. 806-Katrina Volunteer Protection Act of 2005

Grants volunteers who provide assistance to victims of Hurricane Katrina immunity from liability for injuries resulting from aid provided to such victims, except for injuries caused by willful, wanton, reckless or criminal conduct or conduct that constitutes a violation of a federal or state civil rights law.

#### Sec. 807-Judicial Branch Employees Leave Transfer Program

Provides the statutory authority to permit judicial branch employees to participate in emergency leave transfer programs that are currently available to all executive branch employees. Under current law, in the event of a major disaster or emergency that results in severe adverse effects for a substantial number of federal employees, the Office of Personnel Management, at the direction of the President, has the authority under 5 U.S.C. § 6391 to establish an emergency leave transfer program at executive branch agencies. Under such a program, an employee in an executive agency, at the agency's discretion, may donate unused annual leave for transfer to employees of his or her agency or to employees of other executive branch agencies who are adversely affected by the disaster or emergency. This section, which is supported by the Judicial Conference of the United States, would provide employees of the judicial branch, including courts, with the same flexibility and authority to participate in such programs.

